



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2022
OF THE CONDITION AND AFFAIRS OF THE

HAP Empowered Health Plan, Inc.

(Name)

NAIC Group Code 01311 (Current Period) , 01311 (Prior Period) NAIC Company Code 95814 Employer's ID Number 38-3123777

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 01/01/1994 Commenced Business 01/01/1994

Statutory Home Office 2850 West Grand Boulevard (Street and Number) , Detroit, MI, US 48202 (City or Town, State, Country and Zip Code)

Main Administrative Office 2850 West Grand Boulevard (Street and Number)

Detroit, MI, US 48202 (City or Town, State, Country and Zip Code) 888-654-2200 (Area Code) (Telephone Number)

Mail Address 2850 West Grand Boulevard (Street and Number or P.O. Box) , Detroit, MI, US 48202 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2850 West Grand Boulevard (Street and Number)

Detroit, MI, US 48202 (City or Town, State, Country and Zip Code) 248-443-1093 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.hap.org/emp/hap-empowered

Statutory Statement Contact Dianna L. Ronan CPA (Name) , 248-443-1093 (Area Code) (Telephone Number) (Extension)

dronan@hap.org (E-Mail Address) 248-443-8610 (Fax Number)

OFFICERS

Name	Title	Name	Title
Michael Allen Genord M.D.	President and CEO	Robin Damschroder	Treasurer
Archana Rajendra #	Assistant Secretary	Michelle Denise Johnson Tidjani Esq.	Secretary

OTHER OFFICERS

Marjorie Ann Staten J.D. Assistant Secretary

DIRECTORS OR TRUSTEES

Charles Andrew Bloom D.O. Michael Allen Genord M.D. Kenneth Michael Treash

State of Michigan

County of Wayne

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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Allen Genord M.D.
President and CEO

Robin Damschroder
Treasurer

Archana Rajendra
Assistant Secretary

Subscribed and sworn to before me this
day of ,

- a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	0		0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$8,697,719 , Schedule E-Part 1), cash equivalents (\$59,742,470 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	68,440,189		68,440,189	74,782,835
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	68,440,189	0	68,440,189	74,782,835
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	159,162		159,162	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,721,146		5,721,146	4,974,079
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$1,897,664)	1,897,664		1,897,664	536,200
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	351,760
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	2,819,313		2,819,313	2,819,313
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	2,585,413		2,585,413	2,233,713
24. Health care (\$2,934,796) and other amounts receivable.....	2,934,796		2,934,796	2,560,210
25. Aggregate write-ins for other-than-invested assets	7,845,866	23,697	7,822,169	7,562,496
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	92,403,549	23,697	92,379,852	95,820,606
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	92,403,549	23,697	92,379,852	95,820,606
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expense.....	23,697	23,697	0	0
2502. Michigan income tax refund due.....	32,753		32,753	695,376
2503. MDHHS receivable for IPA tax.....	7,789,416		7,789,416	6,867,120
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,845,866	23,697	7,822,169	7,562,496

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	30,541,754		30,541,754	32,996,913
2. Accrued medical incentive pool and bonus amounts	1,274,899		1,274,899	2,656,401
3. Unpaid claims adjustment expenses	320,416		320,416	625,000
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	12,935,628		12,935,628	16,909,823
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	14,224,926		14,224,926	9,306,888
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	2,933,004		2,933,004	3,128,258
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	237,144	0	237,144	237,144
24. Total liabilities (Lines 1 to 23)	62,467,771	0	62,467,771	65,860,427
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	24,234,402	24,234,402
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	5,677,680	5,725,777
32. Less treasury stock, at cost: 32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	29,912,082	29,960,179
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	92,379,853	95,820,606
DETAILS OF WRITE-INS				
2301. Escheat liabilities	237,144		237,144	237,144
2302.			0	0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	237,144	0	237,144	237,144
2501.	XXX	XXX		0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	453,241	362,064
2. Net premium income (including \$0 non-health premium income).....	XXX	245,068,403	211,228,061
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	15,361,765	13,533,495
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	260,430,168	224,761,556
Hospital and Medical:			
9. Hospital/medical benefits		139,511,368	128,953,276
10. Other professional services		31,317,969	24,519,097
11. Outside referrals		4,953,462	272,539
12. Emergency room and out-of-area		8,932,406	7,807,384
13. Prescription drugs		26,683,032	16,780,241
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		1,086,642	709,944
16. Subtotal (Lines 9 to 15)	0	212,484,879	179,042,481
Less:			
17. Net reinsurance recoveries		91,062	718,722
18. Total hospital and medical (Lines 16 minus 17)	0	212,393,817	178,323,759
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$3,407,610 cost containment expenses.....		5,303,516	5,269,906
21. General administrative expenses.....		43,892,625	40,728,323
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		(100,000)	1,500,000
23. Total underwriting deductions (Lines 18 through 22)	0	261,489,958	225,821,988
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(1,059,790)	(1,060,432)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,001,727	11,405
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,001,727	11,405
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(58,063)	(1,049,027)
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	(58,063)	(1,049,027)
DETAILS OF WRITE-INS			
0601. Child and adolescent health center fee.....	XXX	(217,063)	(200,743)
0602. Reimbursement for MCO Tax.....	XXX	15,578,828	13,734,238
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	15,361,765	13,533,495
0701.	XXX		0
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Reimbursement for MCO tax.....			0
2902.			0
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	29,960,177	30,997,829
34. Net income or (loss) from Line 32	(58,063)	(1,049,027)
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	9,967	11,376
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(48,096)	(1,037,651)
49. Capital and surplus end of reporting year (Line 33 plus 48)	29,912,082	29,960,177
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations			1	2
			Current Year	Prior Year
1.	Premiums collected net of reinsurance		244,321,336	209,982,665
2.	Net investment income		842,565	27,399
3.	Miscellaneous income		15,361,765	13,533,495
4.	Total (Lines 1 through 3)		260,525,666	223,543,559
5.	Benefit and loss related payments		216,242,552	177,301,741
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
7.	Commissions, expenses paid and aggregate write-ins for deductions		44,470,614	44,950,877
8.	Dividends paid to policyholders			0
9.	Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		0	0
10.	Total (Lines 5 through 9)		260,713,166	222,252,618
11.	Net cash from operations (Line 4 minus Line 10)		(187,500)	1,290,941
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds		0	0
12.2	Stocks		0	0
12.3	Mortgage loans		0	0
12.4	Real estate		0	0
12.5	Other invested assets		0	0
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		0	0
12.7	Miscellaneous proceeds		0	0
12.8	Total investment proceeds (Lines 12.1 to 12.7)		0	0
13.	Cost of investments acquired (long-term only):			
13.1	Bonds		0	0
13.2	Stocks		0	0
13.3	Mortgage loans		0	0
13.4	Real estate		0	0
13.5	Other invested assets		0	0
13.6	Miscellaneous applications		0	0
13.7	Total investments acquired (Lines 13.1 to 13.6)		0	0
14.	Net increase (decrease) in contract loans and premium notes		0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		0	0
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes		0	0
16.2	Capital and paid in surplus, less treasury stock		0	0
16.3	Borrowed funds		0	0
16.4	Net deposits on deposit-type contracts and other insurance liabilities			0
16.5	Dividends to stockholders		0	0
16.6	Other cash provided (applied)		(6,155,145)	7,549,546
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(6,155,145)	7,549,546
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		(6,342,645)	8,840,487
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year		74,782,832	65,942,346
19.2	End of year (Line 18 plus Line 19.1)		68,440,188	74,782,832

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE HAP Empowered Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	245,068,404	0	0	0	0	0	119,793,730	125,274,674		0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	15,361,766	0	0	0	0	0	2,336,824	13,024,942	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	260,430,170	0	0	0	0	0	122,130,554	138,299,616	0	0
8. Hospital/medical benefits	139,511,368						72,998,593	66,512,775		XXX
9. Other professional services	31,317,970						23,503,588	7,814,382		XXX
10. Outside referrals	4,953,462						491	4,952,971		XXX
11. Emergency room and out-of-area	8,932,406						2,606,608	6,325,798		XXX
12. Prescription drugs	26,683,031						1,303,195	25,379,836		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	1,086,642						488,692	597,950		XXX
15. Subtotal (Lines 8 to 14)	212,484,879	0	0	0	0	0	100,901,167	111,583,712	0	XXX
16. Net reinsurance recoveries	91,063						84,410	6,653		XXX
17. Total hospital and medical (Lines 15 minus 16)	212,393,816	0	0	0	0	0	100,816,757	111,577,059	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses.....	5,303,517						1,856,231	3,447,286		
20. General administrative expenses	43,892,625						18,047,362	25,845,263		
21. Increase in reserves for accident and health contracts	(100,000)						(4,350,000)	4,250,000		XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	261,489,958	0	0	0	0	0	116,370,350	145,119,608	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,059,788)	0	0	0	0	0	5,760,204	(6,819,992)	0	0
DETAILS OF WRITE-INS										
0501. Child and adolescent health center fee.....	(217,063)							(217,063)		XXX
0502. Reimbursement for MCO Tax.....	15,578,829						2,336,824	13,242,005		XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	15,361,766	0	0	0	0	0	2,336,824	13,024,942	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) individual				0
2. Comprehensive (hospital and medical) group				0
3. Medicare Supplement				0
4. Dental only				0
5. Vision only				0
6. Federal Employees Health Benefits Plan				0
7. Title XVIII - Medicare	120,070,891		277,161	119,793,730
8. Title XIX – Medicaid	125,751,256		476,583	125,274,673
9. Credit A&H				0
10. Disability Income				0
11. Long-Term Care				0
12. Other health				0
13. Health subtotal (Lines 1 through 12)	245,822,147	0	753,744	245,068,403
14. Life				0
15. Property/casualty				0
16. Totals (Lines 13 to 15)	245,822,147	0	753,744	245,068,403

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE HAP Empowered Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:														
1.1 Direct	214,395,940							101,990,060	112,405,880					
1.2 Reinsurance assumed	0													
1.3 Reinsurance ceded	442,824							106,911	335,913					
1.4 Net	213,953,116	0	0	0	0	0	0	101,883,149	112,069,967	0	0	0	0	0
2. Paid medical incentive pools and bonuses	2,468,144							660,714	1,807,430					
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	30,541,754	0	0	0	0	0	0	14,828,553	15,713,201	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	30,541,754	0	0	0	0	0	0	14,828,553	15,713,201	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct	0													
4.2 Reinsurance assumed	0													
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	1,274,899							2,475,357	(1,200,458)					
6. Net healthcare receivables (a).....	542,541							638,632	(96,091)					
7. Amounts recoverable from reinsurers December 31, current year	0													
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	32,996,914			0	0	0	0	15,767,506	17,229,408				0	0
8.2 Reinsurance assumed	0			0	0	0	0	0	0				0	0
8.3 Reinsurance ceded	0			0	0	0	0	0	0				0	0
8.4 Net	32,996,914	0	0	0	0	0	0	15,767,506	17,229,408	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct	0			0	0	0	0	0	0				0	0
9.2 Reinsurance assumed	0			0	0	0	0	0	0				0	0
9.3 Reinsurance ceded	0			0	0	0	0	0	0				0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	2,656,401			0	0	0	0	2,647,379	9,022				0	0
11. Amounts recoverable from reinsurers December 31, prior year	351,760			0	0	0	0	22,500	329,260				0	0
12. Incurred benefits:														
12.1 Direct	211,398,239	0	0	0	0	0	0	100,412,475	110,985,764	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	91,064	0	0	0	0	0	0	84,411	6,653	0	0	0	0	0
12.4 Net	211,307,175	0	0	0	0	0	0	100,328,064	110,979,111	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	1,086,642	0	0	0	0	0	0	488,692	597,950	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	Comprehensive (Hospital and Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only		Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1. Direct	3,739,670							2,059,261	1,680,409					
1.2. Reinsurance assumed .....	.0													
1.3. Reinsurance ceded .....	.0													
1.4. Net	3,739,670	.0	.0	.0	.0	.0	.0	2,059,261	1,680,409	.0	.0	.0	.0	.0
2. Incurred but Unreported:														
2.1. Direct	26,802,084							12,769,292	14,032,792					
2.2. Reinsurance assumed .....	.0													
2.3. Reinsurance ceded .....	.0													
2.4. Net	26,802,084	.0	.0	.0	.0	.0	.0	12,769,292	14,032,792	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1. Direct .....	.0													
3.2. Reinsurance assumed .....	.0													
3.3. Reinsurance ceded .....	.0													
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:														
4.1. Direct	30,541,754	.0	.0	.0	.0	.0	.0	14,828,553	15,713,201	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net	30,541,754	0	0	0	0	0	0	14,828,553	15,713,201	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....					.0	
2. Comprehensive (hospital and medical) group .....					.0	
3. Medicare Supplement .....					.0	.0
4. Dental Only .....					.0	.0
5. Vision Only .....					.0	.0
6. Federal Employees Health Benefits Plan .....					.0	.0
7. Title XVIII - Medicare	11,602,322	90,280,827	38,331	14,790,223	11,640,653	15,767,505
8. Title XIX - Medicaid	6,521,839	105,548,129	1,434,504	14,278,697	7,956,343	17,229,408
9. Credit A&H .....					.0	
10. Disability Income .....					.0	
11. Long-Term Care - Medicaid .....					.0	
12. Other health .....					.0	.0
13. Health subtotal (Lines 1 to 12)	18,124,161	195,828,956	1,472,835	29,068,920	19,596,996	32,996,913
14. Healthcare receivables (a)				2,656,434	.0	2,465,652
15. Other non-health .....					.0	.0
16. Medical incentive pools and bonus amounts	2,468,144		1,763,634	(488,735)	4,231,778	2,656,400
17. Totals (Lines 13-14+15+16)	20,592,305	195,828,956	3,236,469	25,923,751	23,828,774	33,187,661

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	.1	.1	(1)	(1)	
2. 2018 .....	.0	.0	.0	.0	
3. 2019	XXX	.0	.0	.0	
4. 2020	XXX	XXX	.0	.0	
5. 2021	XXX	XXX	XXX	.0	
6. 2022	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	.1	.1	(1)	(1)	
2. 2018 .....	.0	.0	.0	.0	
3. 2019	XXX	.0	.0	.0	
4. 2020	XXX	XXX	.0	.0	
5. 2021	XXX	XXX	XXX	.0	
6. 2022	XXX	XXX	XXX	XXX	

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2018.....	.0	.0		.0	.0	.0			.0	.0
2. 2019.....	.0	.0		.0	.0	.0			.0	.0
3. 2020.....	.0	.0		.0	.0	.0			.0	.0
4. 2021.....	.0	.0		.0	.0	.0			.0	.0
5. 2022		0		0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	13,502	13,645	(79,568)	(79,513)	(41)
2. 2018	77,042	90,394	(718)	(681)	51
3. 2019	XXX	68,612	17,921	876	(99)
4. 2020	XXX	XXX	86,765	9,538	2,057
5. 2021	XXX	XXX	XXX	88,151	10,295
6. 2022	XXX	XXX	XXX	XXX	90,281

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	12,417	12,009	(81,204)	(81,136)	(29)
2. 2018	75,117	90,437	(1,451)	(625)	51
3. 2019	XXX	85,620	18,320	720	(98)
4. 2020	XXX	XXX	105,995	11,738	2,057
5. 2021	XXX	XXX	XXX	104,453	11,719
6. 2022	XXX	XXX	XXX	XXX	106,147

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2018	106,088	51		0.0	51	0.0			51	0.0
2. 2019	104,038	(99)		0.0	(99)	(0.1)		3	(96)	(0.1)
3. 2020	0	2,057		0.0	2,057	0.0		249	2,306	0.0
4. 2021	0	10,295		0.0	10,295	0.0	1,425	68	11,788	0.0
5. 2022		90,281		0.0	90,281	0.0	15,803		106,084	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	6,373	6,691	(30,957)	(30,466)	(426)
2. 2018	21,864	26,019	126	(1)	(405)
3. 2019	XXX	26,956	7,643	67	223
4. 2020	XXX	XXX	33,971	7,801	(577)
5. 2021	XXX	XXX	XXX	69,009	9,515
6. 2022	XXX	XXX	XXX	XXX	105,548

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	1,397	6,689	(30,959)	(30,468)	(426)
2. 2018	24,854	26,396	126	(1)	(8)
3. 2019	XXX	35,663	8,626	682	678
4. 2020	XXX	XXX	46,533	7,995	(576)
5. 2021	XXX	XXX	XXX	85,439	10,460
6. 2022	XXX	XXX	XXX	XXX	181,262

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2018	36,407	(405)		0.0	(405)	(1.1)	397		(8)	0.0
2. 2019	42,796	223		0.0	223	0.5	454		677	1.6
3. 2020	0	(577)		0.0	(577)	0.0	1		(576)	0.0
4. 2021	0	9,515		0.0	9,515	0.0	945		10,460	0.0
5. 2022		105,548		0.0	105,548	0.0	12,665		118,213	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	19,876	20,337	(110,526)	(109,980)	(467)
2. 2018.....	98,906	116,413	(592)	(682)	(354)
3. 2019.....	XXX	95,568	25,564	943	124
4. 2020.....	XXX	XXX	120,736	17,339	1,480
5. 2021.....	XXX	XXX	XXX	157,160	19,810
6. 2022.....	XXX	XXX	XXX	XXX	195,829

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	13,815	18,699	(112,164)	(111,605)	(455)
2. 2018.....	99,971	116,833	(1,325)	(626)	43
3. 2019.....	XXX	121,283	26,946	1,402	580
4. 2020.....	XXX	XXX	152,528	19,733	1,481
5. 2021.....	XXX	XXX	XXX	189,892	22,179
6. 2022.....	XXX	XXX	XXX	XXX	287,409

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2018.....	142,495	(354)	.0	0.0	(354)	(0.2)	397	.0	43	0.0
2. 2019.....	146,834	124	.0	0.0	124	0.1	454	.3	581	0.4
3. 2020.....	.0	1,480	.0	0.0	1,480	0.0	.1	249	1,730	0.0
4. 2021.....	.0	19,810	.0	0.0	19,810	0.0	2,370	.68	22,248	0.0
5. 2022.....	0	195,829	0	0.0	195,829	0.0	28,468	0	224,297	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Dental Only	Vision Only		Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other
1. Unearned premium reserves .....	.0												
2. Additional policy reserves (a)	7,400,000							.0	7,400,000				
3. Reserve for future contingent benefits .....	.0												
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)	2,840,000							345,000	2,495,000				
5. Aggregate write-ins for other policy reserves	2,695,628	.0	.0	.0	.0	.0	.0	2,695,628	.0	.0	.0	.0	.0
6. Totals (gross)	12,935,628	.0	.0	.0	.0	.0	.0	3,040,628	9,895,000	.0	.0	.0	.0
7. Reinsurance ceded .....	.0												
8. Totals (Net) (Page 3, Line 4)	12,935,628	0	0	0	0	0	0	3,040,628	9,895,000	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0												
10. Reserve for future contingent benefits .....	.0												
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0												
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. Part C & D adjustments.....	2,695,628							2,695,628					
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	2,695,628	0	0	0	0	0	0	2,695,628	0	0	0	0	0
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$7,400,000 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)	82,224	57,943	432,017		572,184
2. Salaries, wages and other benefits	2,117,272	961,125	11,663,327		14,741,724
3. Commissions (less \$ceded plus \$assumed)					0
4. Legal fees and expenses			144,380		144,380
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	65,984	312	1,885,176		1,951,472
7. Traveling expenses	1,426	17	35,356		36,799
8. Marketing and advertising	13,516		1,947,733		1,961,249
9. Postage, express and telephone	22,331	54,710	566,154		643,195
10. Printing and office supplies	61	49	3,415		3,525
11. Occupancy, depreciation and amortization	13,091	9,225	575,410		597,726
12. Equipment			48,676		48,676
13. Cost or depreciation of EDP equipment and software	325,310	230,790	3,170,700		3,726,800
14. Outsourced services including EDP, claims, and other services	603,748	474,925	4,433,713		5,512,386
15. Boards, bureaus and association fees			51,959		51,959
16. Insurance, except on real estate			61,370		61,370
17. Collection and bank service charges			42,847		42,847
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes			88,341		88,341
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees		27	22,615		22,642
23.4 Payroll taxes	151,473	106,742	758,380		1,016,595
23.5 Other (excluding federal income and real estate taxes)			8,186,190		8,186,190
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	11,174	41	9,774,866	0	9,786,081
26. Total expenses incurred (Lines 1 to 25)	3,407,610	1,895,906	43,892,625	0 (a)	49,196,141
27. Less expenses unpaid December 31, current year		320,416	14,224,926		14,545,342
28. Add expenses unpaid December 31, prior year	0	625,000	9,306,888	0	9,931,888
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,407,610	2,200,490	38,974,587	0	44,582,687
DETAILS OF WRITE-INS					
2501. Miscellaneous write-ins.....	11,174	41	9,774,866		9,786,081
2502.					0
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	11,174	41	9,774,866	0	9,786,081

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....	.....
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....842,565	.....1,001,727
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	842,565	1,001,727
11.	Investment expenses		(g).....
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....0
17.	Net investment income (Line 10 minus Line 16)		1,001,727
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0	.....	.....
1.1	Bonds exempt from U.S. tax .....			.....0	.....	.....
1.2	Other bonds (unaffiliated) .....			.....0	.....	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....		.....0	.....0	.....0	.....0
4.	Real estate .....		.....0	.....0	.....	.....0
5.	Contract loans .....			.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0	.....	.....
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	23,697	33,664	9,967
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	23,697	33,664	9,967
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	23,697	33,664	9,967
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	23,697	0	(23,697)
2502. Deposits.....	0	33,664	33,664
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	23,697	33,664	9,967

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	33,121	35,025	37,583	39,531	42,391	453,241
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	33,121	35,025	37,583	39,531	42,391	453,241
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of HAP Empowered Health Plan, Inc. ("Company") have been prepared in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") and the NAIC Annual Statement Instructions ("NASI") to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services ("DIFS").

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. NAIC SAP has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

NET INCOME		F/S	F/S	Dec 31, 2022	Dec 31, 2021
	SSAP #	Page #	Line #		
(1) State Basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$(58,063)	\$(1,049,027)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(3) State Permitted Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$(58,063)	\$(1,049,027)
SURPLUS					
(5) State Basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$29,912,082	\$29,960,179
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(7) State Permitted Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$29,912,082	\$29,960,179

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with accounting practices prescribed or permitted by DIFS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory basis financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Revenue is recognized during the month in which coverage for enrolled members is in effect. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. Amounts receivable or payable as a result of the contract reconciliation process are recorded in the year known or when a reasonable estimate is determinable. Health claims consist of unpaid medical claims and other obligations resulting from the provision of health care services. Claims consist of claims reported as of the balance sheet date and estimates, based on historical claims experience, for claims incurred but not reported.

In addition, the Company uses the following accounting policies:

1. Short-term investments – Not applicable
2. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less. The investments are recorded at fair value.
3. Bonds – Not applicable
4. Common Stocks – Not applicable
5. Preferred Stocks – Not applicable
6. Mortgage Loans – Not applicable
7. Loan –backed securities – Not applicable
8. Investments in Subsidiaries, controlled and affiliated companies – Not applicable
9. Investments in Joint Ventures, partnerships and limited liability companies – Not applicable
10. Derivatives – Not applicable

11. A reserve for premium deficiency and related expenses is recognized when it is probable that expected future health care costs, under a group of existing contracts, will exceed future premiums and stop-loss coverage recoveries anticipated over the remaining term of the contract. The methods of making such estimates and for establishing the resulting reserves are periodically reviewed and updated. Any adjustments resulting therefrom are reflected in current operations. Estimates in reserves are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from amounts provided. On December 31, 2022 and 2021, HAP EHP determined a need to establish a premium deficiency reserve of \$7,400,000 and \$7,500,000 respectively, which is recorded as an aggregate health policy reserve.
12. The Company's method of estimating liabilities for unpaid medical claims and loss adjustment expenses is based on experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
13. The Company has not modified its capitalization policy from the prior period.
14. The Company's pharmaceutical rebate receivables are calculated by applying guaranteed rebate amounts per the Company's contract with the pharmacy benefit manager to actual pharmacy spend net of rebate payments received to date.

D. Going Concern

Management does not consider there to be any present conditions or events that would raise substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

Material changes in accounting principles and/or correction of error – Not applicable.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – Not applicable
- B. Statutory Merger – Not applicable
- C. Assumption Reinsurance - Not applicable
- D. Impairment Loss - Not applicable
- E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill – Not Applicable

4. Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale - Not applicable
- B. Change in Plan of Sale of Discontinued Operation - Not applicable
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal - Not applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal - Not applicable

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
- B. Debt Restructuring - Not applicable
- C. Reverse Mortgages – Not applicable
- D. Loan-Backed Securities - Not applicable
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - Not applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not applicable
- J. Real Estate - Not applicable
- K. Low-Income Housing Tax Credits (LIHTC) - Not applicable

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6	7
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	(Increase/ Decrease) (1 minus 2)	Total current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted and Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$.....	\$.....	\$.....	\$.....	\$.....	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	\$1,000,000	\$1,039,634	\$(39,634)	\$0	\$1,000,000	1.1%	1.1%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets Backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$1,000,000	\$1,039,634	\$(39,634)	\$0	\$1,000,000	1.1%	1.1%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – Not applicable

(3) Detail of Other Restricted Assets – Not applicable

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements – Not applicable

- M. Working Capital Finance Investments - Not applicable
- N. Offsetting and Netting of Assets and Liabilities - Not applicable
- O. 5GI Securities - Not applicable
- P. Short Sales - Not applicable
- Q. Prepayment Penalty and Acceleration Fees - Not applicable
- R. Reporting Entity's Share of the Cash Pool by Asset Type – Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for investments in Joint Ventures, Partnerships and, Limited Liability Companies during the statement periods.

7. Investment Income

- A. The Company had no excluded investment income from surplus.
- B. The total amount excluded was \$0.

8. Derivative Instruments

A - B. The Company had no derivative instruments.

9. Income Taxes

The Company recognized an admitted net Deferred Tax Asset (“DTA”) of \$0 and \$0 as of December 31, 2022 and 2021, respectively. The Company believes it is more likely than not that ordinary DTAs will not be realized and has therefore recorded a valuation allowance as of December 31, 2022. For 2022 and 2021, HAP EHP has recognized a statutory valuation allowance of \$1,975,000 and \$1,970,000, respectively.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2022		
	1	2	3
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$1,992,000	\$0	\$1,992,000
(b) Statutory Valuation Allowance Adjustments	(1,975,000)	0	(1,975,000)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	17,000	0	17,000
(d) Deferred Tax Assets Nonadmitted	(17,000)	0	(17,000)
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	0	0	0
(f) Deferred Tax Liabilities	0	0	0
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	\$0	\$0	\$0

1.	12/31/2021		
	4	5	6
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$1,993,000	\$0	\$1,993,000
(b) Statutory Valuation Allowance Adjustments	(1,970,000)	0	(1,970,000)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	23,000	0	23,000
(d) Deferred Tax Assets Nonadmitted	(23,000)	0	(23,000)
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	0	0	0
(f) Deferred Tax Liabilities	0	0	0
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	\$0	\$0	\$0

1.	Change		
	7	8	9
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$(1,000)	\$0	\$(1,000)
(b) Statutory Valuation Allowance Adjustments	5,000	0	5,000
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(6,000)	0	(6,000)
(d) Deferred Tax Assets Nonadmitted	6,000	0	6,000
(e) Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	0	0	0
(f) Deferred Tax Liabilities	0	0	0
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	\$0	\$0	\$0

2.

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years

Recoverable Through Loss Carry Carrybacks.

(b) Adjusted Gross Deferred Tax Assets
Expected To Be Realized (Excluding The
Amount Of Deferred Tax Assets From 2(a)
above) After Application of the Threshold
Limitation. (The Lesser of 2(b)1 and 2(b)2
Below)

1. Adjusted Gross Deferred Tax Assets
Expected to be Realized Following
the Balance Sheet Date.

2. Adjusted Gross Deferred Tax Assets
Allowed per Limitation Threshold.

(c) Adjusted Gross Deferred Tax Assets
(Excluding The Amount of Deferred Tax
Assets From 2(a) and 2(b) above) Offset by

Gross Deferred Tax Liabilities

(d) Deferred Tax Assets Admitted as the result
of application of SSAP No. 101.

Total (2(a) + 2(b) + 2(c))

12/31/2022		
1	2	3
Ordinary	Capital	(Col 1+2) Total

\$0	\$0	0
0	0	0
0	0	0
4,459,000	xxx	4,459,000
17,000		17,000
0	0	0
\$17,000	\$0	\$17,000

2.

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years

Recoverable Through Loss Carry Carrybacks.

(b) Adjusted Gross Deferred Tax Assets
Expected To Be Realized (Excluding The
Amount Of Deferred Tax Assets From 2(a)
above) After Application of the Threshold
Limitation. (The Lesser of 2(b)1 and 2(b)2
Below)

1. Adjusted Gross Deferred Tax Assets
Expected to be Realized Following
the Balance Sheet Date.

2. Adjusted Gross Deferred Tax Assets
Allowed per Limitation Threshold.

(c) Adjusted Gross Deferred Tax Assets
(Excluding The Amount of Deferred Tax
Assets From 2(a) and 2(b) above) Offset by
Gross Deferred Tax Liabilities

(d) Deferred Tax Assets Admitted as the result
of application of SSAP No. 101.

Total (2(a) + 2(b) + 2(c))

12/31/2021		
4	5	6
Ordinary	Capital	(Col 4+5) Total

\$0	\$0	\$0
0	0	0
0	0	0
4,494,000	xxx	4,494,000
23,000		23,000
0	0	0
\$23,000	\$0	\$23,000

2.

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years
Recoverable Through Loss Carry Carrybacks.

(b) Adjusted Gross Deferred Tax Assets
Expected To Be Realized (Excluding The
Amount Of Deferred Tax Assets From 2(a)
above) After Application of the Threshold
Limitation. (The Lesser of 2(b)1 and 2(b)2
Below)

1. Adjusted Gross Deferred Tax Assets
Expected to be Realized Following
the Balance Sheet Date.

2. Adjusted Gross Deferred Tax Assets
Allowed per Limitation Threshold.

(c) Adjusted Gross Deferred Tax Assets
(Excluding The Amount of Deferred Tax
Assets From 2(a) and 2(b) above) Offset by

Gross Deferred Tax Liabilities
(d) Deferred Tax Assets Admitted as the result
of application of SSAP No. 101.

Total 2(a) + 2(b) + 2(c)

Change		
7	8	9
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
\$0	\$0	\$0
0	0	0
0	0	0
(35,000)	xxx	(35,000)
(6,000)		(6,000)
0	0	0
\$(6,000)	\$0	\$(6,000)

3.

(a) Ratio Percentage Used To Determine
Recovery Period And Threshold Limitation
Amount.

(b) Amount Of Adjusted Capital and Surplus
Used To Determine Recovery Period And
Threshold Limitation In 2(b) 2 Above.

2022	2021
366%	392%
\$29,912,000	\$29,960,000

4.

Impact of Tax-Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net
Admitted Deferred Tax Assets B Tax Character As A Percentage.

1. Adjusted Gross DTAs

12/31/2022		
1	2	3
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent

\$16,883

\$16,883

2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs	\$16,883	0	\$16,883
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%

4.	12/31/2021		
	4	5	6
			(Col 4+5)
	Ordinary Percent	Capital Percent	Total Percent

Impact of Tax-Planning Strategies

1. Adjusted Gross DTAs	\$23,008	\$0	\$23,008
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs	\$23,008	\$0	\$23,008
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%

4.	Change		
	7	8	9
	(Col 1-4)	(Col 2-5)	(Col 7+8)
	Ordinary Percent	Capital Percent	Total Percent

Impact of Tax-Planning Strategies

1. Adjusted Gross DTAs	\$(6,125)	\$0	\$(6,125)
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%		0%
3. Net Admitted Adjusted Gross DTAs	\$(6,125)	\$0	\$(6,125)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%		0%

(b) Does the Corporation's tax-planning strategies include the use of reinsurance? Yes ____ No X

B. Unrecognized Deferred Tax Liabilities - NOT APPLICABLE.

C. Current income taxes incurred consist of the following major components:

1	2	3
12/31/2022	12/31/2021	(Col 1-2) Change

1. Current Income Tax

(a) Federal	\$0	\$0	0
(b) Foreign	0	0	0
(c) Subtotal	0	0	0
(d) Federal income tax on net capital gains	0	0	0
(e) Utilization of capital loss carryforwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	\$0	\$0	\$0

1	2	3
12/31/2022	12/31/2021	(Col 1-2) Change

2. Deferred Tax Assets

(a) Ordinary

(1) Discounting of unpaid losses	\$88,598	\$106,666	\$(18,068)
(2) Unearned premium reserve	0	0	0
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed Assets	0	0	0
(8) Compensation and benefits accrual	1,554,000	1,575,000	(21,000)
(9) Pension accrual	0	0	0
(10) Receivables - nonadmitted	0	0	0
(11) Net operating loss carry-forward	188,591	101,455	87,136
(12) Deferred tax liabilities	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	0	0	0
	0	7,069	(7,069)
(14) State taxes amended	0	0	0
(15) Intangibles	161,000	203,000	(42,000)
(99) Subtotal	1,992,189	1,993,190	(1,001)
(b) Statutory valuation allowance adjustment	1,975,306	1,970,182	5,124
(c)Nonadmitted	0	0	0

(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	16,883	23,008	(6,125)
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(e)Capital:

(1) Investments	0	0	0
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	0	0	0
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	0	0	0
(i) Admitted deferred tax assets (2d + 2h)	\$16,883	\$23,008	\$(6,125)

3. Deferred Tax Liabilities

(a) Ordinary:

(1) Investments	\$0	\$0	\$0
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax assets)	16,883	23,008	(6,125)
(99) Subtotal	16,883	23,008	(6,125)

(b) Capital:

(1) Investments	0	0	0
(2) Real estate	0	0	0

(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	0	0	0
(c) Deferred tax liabilities(3a99 + 3b99)	16,883	23,008	(6,125)
4. Net deferred tax assets/liabilities(2i - 3c)	\$0	\$0	\$0

	12/31/2022	12/31/2021	Change
Total Deferred Tax Assets	\$1,992,000	\$1,993,000	\$(1,000)
Total Deferred Tax Liabilities	(17,000)	(23,000)	6,000
Net Deferred Tax Asset/Liabilities	1,975,000	1,970,000	5,000
Statutory Valuation Allowance	(1,975,000)	(1,970,000)	(5,000)
Net DTA/DTL after VA	0	0	0
Tax-effect on Unrealized Gain			0
Statutory Valuation Allowance on Unrealized			0
Change in Net Deferred Income tax			\$0

D. Among the more significant book to tax adjustments were the following:

	2022	%	2021	%
Federal income tax benefit computed at the statutory rate	\$(58,000)	20.69%	\$(220,296)	21.0%
Change in DTAs on Non-Admitted Assets	34,000	(12.07)%	2,389	(0.23)%
Impact of Change in Tax Rate	0	0.0%	0	0.0%
Cares Act NOL Carryback	0	(0.0)%	0	(0.0)%
Change in statutory valuation allowance	24,000	(8.62)%	217,143	(20.7)%
SSAP Surplus Adjustment	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%
Total	0	0.00%	(764)	0.07%
Federal income taxes incurred	0	0.0%	0	0.0%
Change in net deferred income taxes	0	0.0%	0	0.0%
SSAP 3 Surplus Adjustment	0	0.0%	0	0.0%
Prior year under accrual/(over accrual)	0	0.0%	764	(0.07)%
Total statutory income taxes	0	0.0%	0	11.5%

E. Carryforwards, recoverable taxes, and IRC 6603 deposits:

The Company has a Net Operating Loss carryforward of \$898,000 which expires in 2039, but no tax credit carryforward.

The Company does not have any deposits admitted under IRC 6603.

The Company has \$0 of income taxes in 2022 available for recoupment in the event of future losses.

The Company has \$0 and \$0 of income taxes in 2022 and 2021 available for recoupment.

F. The Company's federal income tax return is filed on a standalone basis and taxes are based on an adopted income tax allocation plan between the Company and other affiliated members of the controlled group.

G. The Company has recorded no liabilities, in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets Revised. The statute of limitation for Michigan returns is open for 2018 and subsequent years. Furthermore, the Federal statute of limitation is open for 2019 and subsequent years.

10. Information Concerning Parent, Subsidiaries and Affiliates

- The Company is 100% owned by Health Alliance Plan of Michigan ("HAP"). The Company's Ultimate Controlling Entity is Henry Ford Health ("HFH").
- The Company incurred a management fee, for strategic guidance and support and services from HAP in 2022 and 2021. The Company incurred a management fee for medical management from HFH in 2022 and 2021. Through a Specialty Care and Hospital Agreement and a Company/Primary Care Provider Agreement the Company purchased healthcare and remitted State of Michigan pass thru payments to HFH in 2022, and 2021.
- The HAP management fee was \$31,459,000 in 2022 and \$30,435,000 in 2021. The Company paid healthcare services (noted above) to HFH of \$46,098,000 in 2022 and \$30,755,000 in 2021.

- D. The Company, under the terms of a Management and Services Agreement with HAP and a Management and Services Agreement between HFH and HAP recorded an amount due to \$2,933,000 and \$3,128,000 for 2022 and 2021 and due from \$2,585,000 for 2022 and \$2,233,000 for 2021. respectively, with terms of settlement within 15 days.
- E. Capital Contributions – Not Applicable
- F. Guarantees to Affiliated Groups – Not applicable
- G. The Company has an agreement with its parent company whereby various administrative and support services are provided on the Company's behalf.
- H. Common Ownership or Control – The Company and its affiliates are not subject to common ownership or control whereby their operating results or financial position would be significantly different from those if the entities were autonomous.
- I. Ownership in an Upstream Affiliate or Parent – Not applicable
- J. Investments in SCA Entities Exceeding 10% of Admitted Assets – Not applicable
- K. Investments in Impaired SCA Entities – Not applicable
- L. Investments in Foreign Insurance Subsidiaries – Not applicable
- M. Investment in Downstream Noninsurance Subsidiaries – Not applicable
- N. Investments in All Subsidiaries, Controlled and Affiliated Entities - Not applicable
- O. Investments in Insurance SCAs with Prescribed and Permitted Practices - Not applicable
- P. SCA and SSAP No. 48 Entity Loss Tracking – Not applicable

11. Debt

The Company had no debt.

- A. Debt, including Capital Notes and Reverse Repurchase Agreements – Not applicable
- B. FHLB (Federal Home Loan Bank) Agreements – Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan – Not applicable
- B. Investment Policies and Strategies - Not applicable
- C. Fair Value of Each Class of Plan Assets - Not applicable
- D. Basis to determine the overall expected long-term rate-of-return-on-assets assumptions - Not Applicable
- E. Defined Contribution Plans – Not applicable
- F. Multiemployer Plans – Not applicable
- G. Consolidated/Holding Company Plans – Not applicable
- H. Postemployment Benefits and Compensated Absences – Not applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1. The Company has no stock and is incorporated as a Michigan non-profit organization.
- 2. The Company has no preferred stock.
- 3. Dividend Restrictions – the maximum dividends that may be paid by the Company without prior approval of the Michigan DIFS is limited to the greater of 10% of capital and surplus or net income for the previous year.
- 4. The Company did not pay a dividend in 2022 or 2021. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Michigan, and to an amount based on restrictions relating to statutory surplus.
- 5. Dividend Restrictions Based on Profits - Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6. Restrictions on Unassigned Funds (Surplus) – Not applicable
- 7. Advances to Surplus Not Repaid – Not applicable

- 8. Stock held for Special Purposes – Not applicable
- 9. Changes in special surplus funds – Not applicable.
- 10. There are no cumulative unrealized gains and losses that reduce unassigned funds (surplus).
- 11. Surplus Notes – Not applicable
- 12. Impact of a Restatement Due to a Quasi-Reorganization – Not applicable
- 13. The Effective Date(s) of all Quasi-Reorganizations in the Prior Ten Years – Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company is not aware of any material contingent liabilities as of December 31, 2022. The Company has committed no reserves to cover any contingent liabilities.

B. Assessments

As of December 31, 2022, the Company incurred \$15,578,829 of expenses with regard to Insurance Provider Assessment taxes which will be reimbursed by the Michigan Department of Health and Human Services as revenue. At the end of 2022, \$7,789,415 remains as a receivable and payable and payments occurring in early 2023.

C. Gain Contingencies

The Company is not aware of any material gain contingencies as of December 31, 2022.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company paid no extra contractual obligations and bad faith losses stemming from lawsuits during 2022.

E. Joint and Several Liabilities

The Company does not have any joint and several liability arrangements to report at December 31, 2022.

F. All Other Contingencies

The Company is not aware of any material contingent liability at December 31, 2022. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the company. The company has no assets that it considers to be impaired.

15. Leases

A. Lessee Operating Leases – Not applicable

B. Lessor Leases – Not applicable

C. Leveraged Leases - Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

The Company had no financial instruments with off-balance sheet risk or with concentrations of credit risk at December 31, 2022.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2022.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2022.

C. Wash Sales

The Company had no wash sales during 2022.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans – The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans are as follows during 2022.

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual			
a. expenses	\$37,442,615		\$37,442,615
b. Total net other income or expense (including interest paid to or received from plans)			
c. Total net gain or loss from operations			
d. The claim payment volume			

B. ASC Plans – Not applicable

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

1. Major components of revenue by payer – Not applicable
2. Receivables from payors with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans of \$10,000
- | | | |
|--|-------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Centers for Medicare and Medicaid Services (“CMS”) | \$0 | \$ 0 |
3. The Company has recorded \$0 as an allowance or reserve for adjustment of recorded revenues.
4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators

The Company had no direct premium written/produced by managing general third agents/third party administrators during 2022.

20. Fair Value Measurements

A. Fair Market Value at Reporting Date:

1. The Company reports certain investments in the Company’s Statements of Assets and Liabilities, Capital and Surplus as of December 31, 2022 at fair value which are summarized in the table below. There are no other assets and liabilities which are reported at fair value in the Statements of Assets and Liabilities, Capital and Surplus as of December 31, 2022.

Description	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Cash equivalents	\$ 59,742,470				\$ 59,742,470
Total	<u>\$59,742,470</u>				<u>\$59,742,470</u>

2. The Company has no fair value measurements categorized within Level 2 and 3 of the fair value hierarchy at December 31, 2022.
3. The Company’s policy for recognition of transfers between levels within the fair value hierarchy is to recognize the transfer on the actual date of the event or change in circumstances that caused the transfer. The Company had no transfers between levels at December 31, 2022.
4. The Company has not valued any securities at a Level 2 or 3.
5. The Company does not have derivative assets and liabilities at December 31, 2022.

B. Other Fair Value Information - Not applicable

C. Aggregate fair values of all financial instruments and applicable levels within the fair value hierarchy

Type of Financial Instrument	Aggregate					Not Practicable
	Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	(Carrying Value)
Cash equivalents	\$59,742,470	\$59,742,470	\$59,742,470			

D. Financial instruments or classes of financial instruments for which fair value measurements are not determinable – Not applicable

21. Other Items

- A. Unusual or Infrequent Items - Not applicable
- B. Troubled Debt Restructuring: Debtors – Not applicable
- C. Other Disclosures

Statutory Deposit – As a condition of maintaining its certificate of authority with the State of Michigan, the Company maintains a deposit of at least \$1,000,000 in a segregated account. At December 31, 2022, the balance in the segregated account was \$1,000,000. These funds can only be used by HAP EHP at the direction of the Insurance Commissioner of the State of Michigan. These funds equaling \$1,000,000 are held in a U.S. Government money market fund (stated at fair value). Interest accrues to HAP EHP.

- D. Business Interruption Insurance Recoveries – Not applicable
- E. State Transferable and Non-Transferable Tax Credits – Not applicable
- F. Subprime-Mortgage-Related Risk Exposure – Not applicable
- G. Retained Assets - Not applicable
- H. Insurance-Linked Securities (ILS) Contracts - Not applicable
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy – Not applicable

22. Events Subsequent

Type 1- Recognized Subsequent Events: NOT APPLICABLE

Type II – Non recognized Subsequent Events

Subsequent events have been considered through February 28, 2023 for the statutory statement issued on December 31, 2022.

23. Reinsurance

- A. Ceded Reinsurance Report

The Company is self-insured for medical claims up to a certain retention level per member during each policy year and has agreements with reinsurance carriers to cover the claims incurred over the retention level. The retention level was \$450,000 for Medicare and \$650,000 for Medicaid members in 2022 respectively and \$400,000 per Medicare member and \$600,000 per Medicaid member in 2021. Reinsurance expenses were \$753,745 and \$606,254 in 2022 and 2021, respectively which were recorded as a reduction of premium revenue. Reinsurance recoveries were \$91,064 and \$719,000 in 2022 and 2021, respectively and were recorded as a reduction to hospital and medical expenses.

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the company? Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed, or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (X)
- B. Uncollectible Reinsurance – Not applicable
- C. Commutation of Ceded Reinsurance – Not applicable
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Corporation estimates accrued retrospective premium adjustments related to MI Health Link contract, and a risk corridor provision for its Medicaid contract. An estimated risk corridor receivable or payable for the MDHHS risk corridor provision is recognized based on activity-to-date and is accumulated at the contract level and recorded as aggregate policy reserves
- B. The Corporation records accrued retrospective premium as an adjustment to earned premium. The Company accrued retrospective premium adjustments for its MI Health Link program of \$345,000 and \$0 for 2022 and 2021 respectively, and a Risk Corridor estimate for Medicaid of \$0 and \$5,120,000 for 2022 and 2021 respectively. The corporation had a \$7,400,000 and \$7,500,000 premium deficiency reserve for 2022 and 2021 respectively. These are part of the liability page 3, line 4 "Aggregate Health Policy Reserves" of \$12,936,000 at December 31, 2022 and \$16,910,000 at December 31, 2021.
- C. The amount of net premiums written by the Corporation at December 31, 2022 that are subject to retrospective rating or redetermination features was \$77,396,000 that represented 100.0% of total net premiums written for the Corporation. No other net premiums written by the Corporation are subject to retrospective rating features
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act - Not applicable
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA) - Not applicable
- (1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO) ? Yes () No (X)
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
- a. Permanent ACA Risk Adjustment Program
- Assets
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)
- Liabilities
2. Risk adjustment user fees payable for ACA Risk Adjustment
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium) – Not Applicable
- Operations (Revenue & Expense)
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)
- b. Transitional ACA Reinsurance Program
- Assets
1. Amounts recoverable for claims paid due to ACA Reinsurance
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance
- Liabilities
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium
5. Ceded reinsurance premiums payable due to ACA Reinsurance
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance
- Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance
 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments
 9. ACA Reinsurance contributions - not reported as ceded premium
- c. Temporary ACA Risk Corridors Program
- Assets
1. Accrued retrospective premium due to ACA Risk Corridors
- Liabilities
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors
- Operations (Revenue & Expense)
3. Effect of ACA Risk Corridors on net premium income (paid/received)
 4. Effect of ACA Risk Corridors on change in reserves for rate credits

- (3) Roll forward of prior year ACA risk-sharing provisions for the following assets (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance – Not Applicable
- (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year – Not applicable
- (5) ACA Risk Corridors Receivable as of Reporting Date – Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

Activity in the liability for claims unpaid at December 31, 2022 and 2021 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Balance - January 1	32,997	31,654
Incurred related to:		
Current year	224,898	189,350
Prior year	<u>(14,000)</u>	<u>(12,143)</u>
Total incurred	<u>210,898</u>	<u>177,207</u>
Paid related to:		
Current year	195,341	157,161
Prior year	<u>18,124</u>	<u>18,703</u>
Total paid	<u>213,465</u>	<u>175,864</u>
Balance - December 31	<u><u>30,430</u></u>	<u><u>32,997</u></u>

Claims and claims adjustment expense reserves as of December 31, 2021 were \$33,622,000. As of December 31, 2022 \$20,592,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Claims and claims adjustment expense reserves remaining for prior years are now \$3,236,000. Changes in actuarial estimates of reserves attributable to insured events of prior years' reflect revisions in estimates of medical cost trends and changes in claims processing patterns.

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivable – The Company recognizes pharmacy rebates/reimbursements when the amounts are known, or a reasonable estimate is determinable.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2022	2,656,434	2,656,434	0	0	0
09/30/2022	2,443,532	2,443,532	2,443,532	0	0
06/30/2022	2,015,775	2,015,775	2,015,775	0	0
03/31/2022	2,605,910	2,605,910	2,605,910	0	0
12/31/2021	2,113,893	2,113,893	0	0	0
09/30/2021	1,998,544	1,998,544	1,998,544	0	0
06/30/2021	1,920,300	1,956,829	1,956,829	0	0
03/31/2021	1,704,678	2,017,177	2,017,177	0	0
12/31/2020	1,628,570	1,628,570	0	0	0
09/30/2020	1,700,752	1,700,752	1,568,352	132,400	0
06/30/2020	1,685,286	1,685,286	1,425,514	259,771	0
03/31/2020	1,737,197	1,737,197	1,738,197	0	0

B. Risk Sharing Receivable

Not Applicable.

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

- | | | |
|----|--|-------------------|
| 1. | Liability carried for premium deficiency reserves | \$7,400,000 |
| 2. | Date of the most recent evaluation of this liability | December 31, 2022 |
| 3. | Was anticipated investment income utilized in the calculation? | Yes (X) No () |

31. Anticipated Salvage and Subrogation

Not applicable

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE HAP Empowered Health Plan, Inc.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []
- 1.3

State Regulating? Michigan.....
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes [] No [X]
- 1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2021
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2018
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....04/07/2020
- 3.4

By what department or departments? Michigan Department of Insurance and Financial Services.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
7.21 State the percentage of foreign control0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

- 8.1

Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the DIHC.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....

- 8.5

Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?

Yes [] No [X]
- 8.6

If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to theFederal Reserve Board's capital rule?

Yes [] No [X] N/A []
9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Suite 3900, 200 Renaissance Center, Detroit, MI 48243.....
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE HAP Empowered Health Plan, Inc.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes ☒ No ☐ N/A ☐
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Andrew Timcheck, Milliman, 15800 Bluemound Road, Suite 100, Brookfield, WI 53005.....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐ No ☒

12.11

Name of real estate holding company

.....

12.12

Number of parcels involved

.....0

12.13

Total book/adjusted carrying value

\$.....
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ No ☐
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes ☐ No ☐
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ No ☐ N/A ☐
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

Yes ☒ No ☐
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ☐ No ☒
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes ☐ No ☒
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes ☒ No ☐
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes ☒ No ☐
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$.....

20.12

To stockholders not officers

\$.....

20.13

Trustees, supreme or grand (Fraternal only)

\$.....
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$.....

20.22

To stockholders not officers

\$.....

20.23

Trustees, supreme or grand (Fraternal only)

\$.....
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ☐ No ☒
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Rented from others

\$.....

21.22

Borrowed from others

\$.....

21.23

Leased from others

\$.....

21.24

Other

\$.....
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$.....

22.22

Amount paid as expenses

\$.....

22.23

Other amounts paid

\$.....
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☒ No ☐
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....2,585,413
- 24.1

Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?

Yes ☐ No ☒
- 24.2

If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

1	2
Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)

Yes ☒ No ☐
- 25.02 If no, give full and complete information, relating thereto
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.

\$.....0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs.

\$.....0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ NA ☒
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ NA ☒
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ NA ☒
- 25.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$.....0

25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$.....0

25.093 Total payable for securities lending reported on the liability page

\$.....0
- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 24.1 and 25.03).

Yes ☐ No ☒
- 26.2 If yes, state the amount thereof at December 31 of the current year:

26.21 Subject to repurchase agreements

\$.....

26.22 Subject to reverse repurchase agreements

\$.....

26.23 Subject to dollar repurchase agreements

\$.....

26.24 Subject to reverse dollar repurchase agreements

\$.....

26.25 Placed under option agreements

\$.....

26.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

\$.....

26.27 FHLB Capital Stock

\$.....

26.28 On deposit with states

\$.....1,000,000

26.29 On deposit with other regulatory bodies

\$.....

26.30 Pledged as collateral – excluding collateral pledged to an FHLB

\$.....

26.31 Pledged as collateral to FHLB – including assets backing funding agreements

\$.....

26.32 Other

\$.....

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☐

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes ☐ No ☒
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108

Yes ☐ No ☐

27.42 Permitted accounting practice

Yes ☐ No ☐

27.43 Other accounting guidance

Yes ☐ No ☐
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes ☐ No ☐

 - The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒
- 28.2 If yes, state the amount thereof at December 31 of the current year.

\$.....

29. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒ No ☐

29.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Comerica.....	Detroit, MI.....

29.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?

Yes ☐ No ☒
- 29.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Income Research and Management.....	U.....
J.P. Morgan Investment Management Inc.....	U.....
Garcia Hamilton & Associates.....	U.....
Blackrock Advisors LLC.....	U.....
The Dreyfus Corporation.....	U.....
Goldman Sachs Asset Management LP.....	U.....
Artisan Partners Limited Partnership.....	U.....
The Northern Trust Company.....	U.....
Comerica Bank, NA.....	U.....
Comerica Securities, Inc.....	U.....
Robin Damschroder.....	A.....
Merrill Hausenfluck.....	I.....
J. Douglas Clark.....	A.....
Kelly English.....	A.....
Derek Kellam.....	A.....
Leslie Hardy.....	A.....
Rita Humbach.....	A.....
Robert Porter.....	A.....
New England Pension Consultants.....	U.....
Vanguard.....	U.....
Ben McGuire.....	A.....
Robert Riney.....	A.....
Paul Kolpasky.....	A.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s invested assets?

Yes [X] No []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets?

Yes [X] No []

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104863.....	Income Research and Management.....	Not Applicable.....	Not Applicable.....	DS.....
107038.....	J.P. Morgan Investment Management, Inc.....	549300Q7485FUJKEMM46.....	SEC.....	DS.....
108017.....	Garcia Hamilton & Associates. Income Research and Management.....	2549004MW2QAB6054P40.....	SEC.....	DS.....
104863.....	J.P. Morgan Investment Management Inc.....	Not Applicable.....		NO.....
107038.....	Blackrock Advisors LLC.....	549300Q7485FUJKEMM46.....	SEC.....	NO.....
106614.....	Garcia Hamilton and Associates, L.P.....	WMEVRQ7LCLDEFWERG149.....	SEC.....	NO.....
108017.....	Artisan Partners Limited Partnership.....	2549004MW20AB6054P40.....	SEC.....	DS.....
80170101.....	The Dreyfus Corporation.....	H441S2FJ0USVWTYA1B25.....	SEC.....	NO.....
105642.....	Goldman Sachs Asset Management LP.....	54930067A504FBYASH16.....	SEC.....	NO.....
107738.....	The Northern Trust Company.....	CF5M58QA35CFPUX70H17.....	SEC.....	NO.....
N/A.....	Comerica Bank, NA.....	70WY01D1N53Q4254VH70.....	FDIC.....	NO.....
N/A.....	Comerica Securities, Inc.....		SEC.....	NO.....
17079.....	Robin Damschroder.....	Not Applicable.....	Not Applicable.....	
N/A.....	J. Douglas Clark.....	Not Applicable.....	Not Applicable.....	
N/A.....	Kelly English.....	Not Applicable.....	Not Applicable.....	
N/A.....	Derek Kellam.....	Not Applicable.....	Not Applicable.....	
N/A.....	Leslie Hardy.....	Not Applicable.....	Not Applicable.....	
N/A.....	Rita Humbach.....	Not Applicable.....	Not Applicable.....	
N/A.....	Robert Porter.....	Not Aplicable.....	Not Aplicable.....	
N/A.....	New England Pension Consultants.....	Not Applicable.....	Not Applicable.....	
105958.....	Vanguard.....	78WHRHOLF802AJ0B221.....	SEC.....	NO.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
30.2999 TOTAL		0

30.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds.....	0.....	.....	0.....
31.2 Preferred Stocks.....	0.....	.....	0.....

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

31.3

Totals

0

0

0

31.4

Describe the sources or methods utilized in determining the fair values:

32.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [] No [X]

32.2

If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No []

32.3

If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
0

33.1

Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

33.2

If no, list exceptions:

34.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a.Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b.Issuer or obligor is current on all contracted interest and principal payments.
c.The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities?

Yes [] No [X]

35.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

36.

By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]

37.

By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliated then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a -37.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

Yes [] No [] NA [X]

38.1

Does the reporting entity directly hold cryptocurrencies?

Yes [] No [X]

38.2

If the response to 38.1 is yes, on what schedule are they reported?

39.1

Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?

Yes [] No [X]

39.2

If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

39.21

Held directly

Yes [] No []

39.22

Immediately converted to U.S. dollars

Yes [] No []

39.3

If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1 Name of Cryptocurrency	2 Immediately Converted to USD, Directly Held, or Both	3 Accepted for Payment of Premiums

OTHER

40.1

Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$7,155

40.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Michigan Association of Health Plans.....	\$.....7,155

41.1

Amount of payments for legal expenses, if any?

\$

41.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

42.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$

42.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only.

\$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$0

1.62 Total incurred claims

\$0

1.63 Number of covered lives

.....0

All years prior to most current three years:

1.64 Total premium earned

\$0

1.65 Total incurred claims

\$0

1.66 Number of covered lives

.....0

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$0

1.72 Total incurred claims

\$0

1.73 Number of covered lives

.....0

All years prior to most current three years:

1.74 Total premium earned

\$0

1.75 Total incurred claims

\$0

1.76 Number of covered lives

.....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$245,068,404	\$	.....211,228,061
2.2	Premium Denominator	\$245,068,403	\$	.....211,228,061
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$44,752,281	\$	.....52,563,137
2.5	Reserve Denominator	\$44,752,281	\$	.....52,563,137
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No []

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$650,000

5.32 Medical Only

\$

5.33 Medicare Supplement

\$

5.34 Dental and Vision

\$

5.35 Other Limited Benefit Plan

\$

5.36 Other

\$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

.....7,764

8.2 Number of providers at end of reporting year

.....7,881

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

.....

9.22 Business with rate guarantees over 36 months

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....130,000
- 10.22 Amount actually paid for year bonuses \$.....
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above) ? Yes [] No [X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Michigan.....
- 11.4 If yes, show the amount required. \$.....16,301,730
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Genesee County.....
Huron County.....
Lapeer County.....
Macomb County.....
Oakland County.....
St. Clair County.....
Sanilac County.....
Shiawassee County.....
Tuscola County.....
Wayne County.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes [] No [N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- 15.1 Direct Premium Written \$.....
- 15.2 Total Incurred Claims \$.....
- 15.3 Number of Covered Lives

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

FIVE - YEAR HISTORICAL DATA

	1 2022	2 2021	3 2020	4 2019	5 2018
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	92,379,852	95,820,606	88,718,831	73,853,928	68,467,500
2. Total liabilities (Page 3, Line 24)	62,467,771	65,860,427	57,721,002	45,299,350	42,661,153
3. Statutory minimum capital and surplus requirement	16,301,730	8,449,122	6,776,284	4,974,946	0
4. Total capital and surplus (Page 3, Line 33)	29,912,082	29,960,179	30,997,829	28,554,578	25,806,348
Income Statement (Page 4)					
5. Total revenues (Line 8)	260,430,168	224,761,556	171,881,254	141,983,022	142,457,728
6. Total medical and hospital expenses (Line 18)	212,393,817	178,323,759	153,488,526	112,063,758	117,094,717
7. Claims adjustment expenses (Line 20)	5,303,516	5,269,906	4,657,893	6,591,441	8,789,613
8. Total administrative expenses (Line 21)	43,892,625	40,728,323	35,137,623	34,426,156	30,406,585
9. Net underwriting gain (loss) (Line 24)	(1,059,790)	(1,060,432)	(27,402,788)	(8,613,333)	(13,833,188)
10. Net investment gain (loss) (Line 27)	1,001,727	11,405	190,554	873,590	927,034
11. Total other income (Lines 28 plus 29)	0	0	10,552,938	9,964,207	(286,207)
12. Net income or (loss) (Line 32)	(58,063)	(1,049,027)	(13,098,477)	2,090,993	(9,054,510)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(187,500)	1,290,941	(4,299,686)	12,283,623	(19,139,767)
Risk-Based Capital Analysis					
14. Total adjusted capital.....	29,912,082	29,960,179	30,997,829	28,554,578	25,806,348
15. Authorized control level risk-based capital	8,150,865	7,636,525	6,775,964	4,974,946	5,632,650
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	42,391	33,121	24,992	17,535	16,227
17. Total members months (Column 6, Line 7)	453,241	362,064	259,418	199,073	188,556
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	86.7	84.4	89.2	78.9	82.2
20. Cost containment expenses	1.4	1.6	1.8	2.1	1.7
21. Other claims adjustment expenses	0.8	0.9	0.9	2.6	4.4
22. Total underwriting deductions (Line 23)	106.7	106.9	115.8	106.0	109.7
23. Total underwriting gain (loss) (Line 24)	(0.4)	(0.5)	(15.9)	(6.1)	(9.7)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	23,828,774	20,744,018	26,225,732	18,948,688	24,409,671
25. Estimated liability of unpaid claims – [prior year (Line 17, Col. 6)]	33,187,661	30,170,381	22,392,044	23,896,106	28,343,845
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - *Accounting Changes and Correction of Errors*?.....Yes [] No []

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only								
			2	3	4	5	6	7	8	9	10	
State, Etc.			Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1.	Alabama	AL									.0	.0
2.	Alaska	AK									.0	.0
3.	Arizona	AZ									.0	.0
4.	Arkansas	AR									.0	.0
5.	California	CA									.0	.0
6.	Colorado	CO									.0	.0
7.	Connecticut	CT									.0	.0
8.	Delaware	DE									.0	.0
9.	District of Columbia	DC									.0	.0
10.	Florida	FL									.0	.0
11.	Georgia	GA									.0	.0
12.	Hawaii	HI									.0	.0
13.	Idaho	ID									.0	.0
14.	Illinois	IL									.0	.0
15.	Indiana	IN									.0	.0
16.	Iowa	IA									.0	.0
17.	Kansas	KS									.0	.0
18.	Kentucky	KY									.0	.0
19.	Louisiana	LA									.0	.0
20.	Maine	ME									.0	.0
21.	Maryland	MD									.0	.0
22.	Massachusetts	MA									.0	.0
23.	Michigan	MI	L		120,070,891	125,751,256					245,822,147	.0
24.	Minnesota	MN									.0	.0
25.	Mississippi	MS									.0	.0
26.	Missouri	MO									.0	.0
27.	Montana	MT									.0	.0
28.	Nebraska	NE									.0	.0
29.	Nevada	NV									.0	.0
30.	New Hampshire	NH									.0	.0
31.	New Jersey	NJ									.0	.0
32.	New Mexico	NM									.0	.0
33.	New York	NY									.0	.0
34.	North Carolina	NC									.0	.0
35.	North Dakota	ND									.0	.0
36.	Ohio	OH									.0	.0
37.	Oklahoma	OK									.0	.0
38.	Oregon	OR									.0	.0
39.	Pennsylvania	PA									.0	.0
40.	Rhode Island	RI									.0	.0
41.	South Carolina	SC									.0	.0
42.	South Dakota	SD									.0	.0
43.	Tennessee	TN									.0	.0
44.	Texas	TX									.0	.0
45.	Utah	UT									.0	.0
46.	Vermont	VT									.0	.0
47.	Virginia	VA									.0	.0
48.	Washington	WA									.0	.0
49.	West Virginia	WV									.0	.0
50.	Wisconsin	WI									.0	.0
51.	Wyoming	WY									.0	.0
52.	American Samoa	AS									.0	.0
53.	Guam	GU									.0	.0
54.	Puerto Rico	PR									.0	.0
55.	U.S. Virgin Islands	VI									.0	.0
56.	Northern Mariana Islands	MP									.0	.0
57.	Canada	CAN									.0	.0
58.	Aggregate other alien	OT	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal .....		.XXX	.0	120,070,891	125,751,256	.0	.0	.0	.0	245,822,147	.0
60.	Reporting entity contributions for Employee Benefit Plans .....		.XXX								.0	
61.	Total (Direct Business) .....		.XXX	0	120,070,891	125,751,256	0	0	0	0	245,822,147	0
DETAILS OF WRITE-INS												
58001.	.....		.XXX									
58002.	.....		.XXX									
58003.	.....		.XXX									
58998.	Summary of remaining write-ins for Line 58 from overflow page .....		.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) .....		.XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts

1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG

2. R – Registered – Non-domiciled RRGs

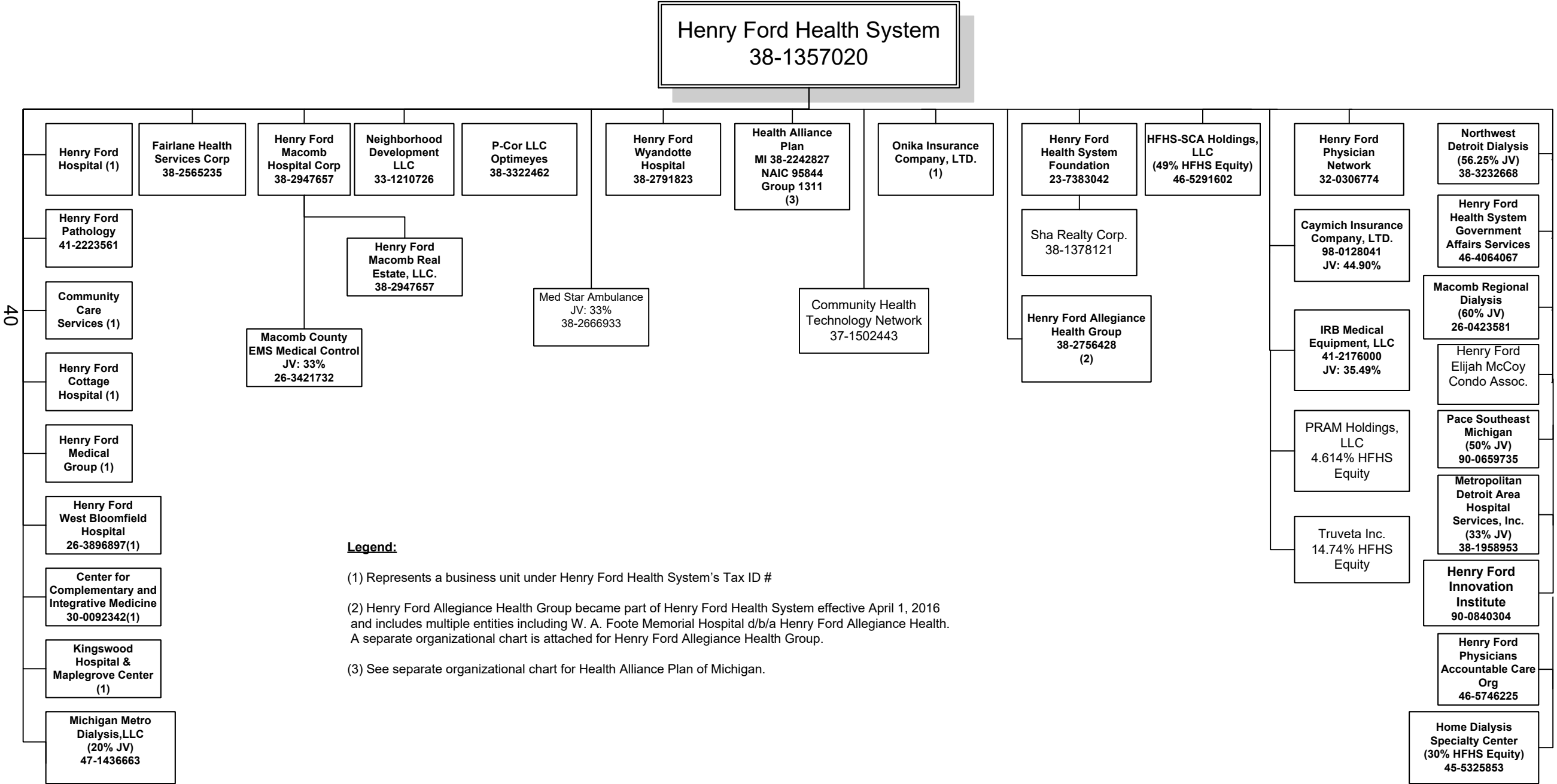
3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state

4. Q – Qualified – Qualified or accredited reinsurer

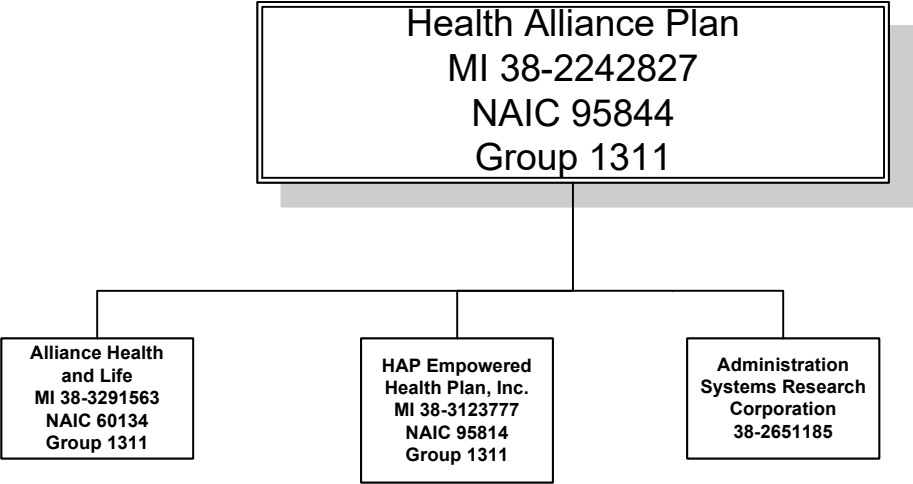
5. N – None of the above – Not allowed to write business in the state

(b) Explanation of basis of allocation by states, premiums by states, etc.
Allocated by product centers for Medicare and Medicaid

STATEMENT AS OF DECEMBER 31, 2022 OF THE Health Alliance Plan of Michigan
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



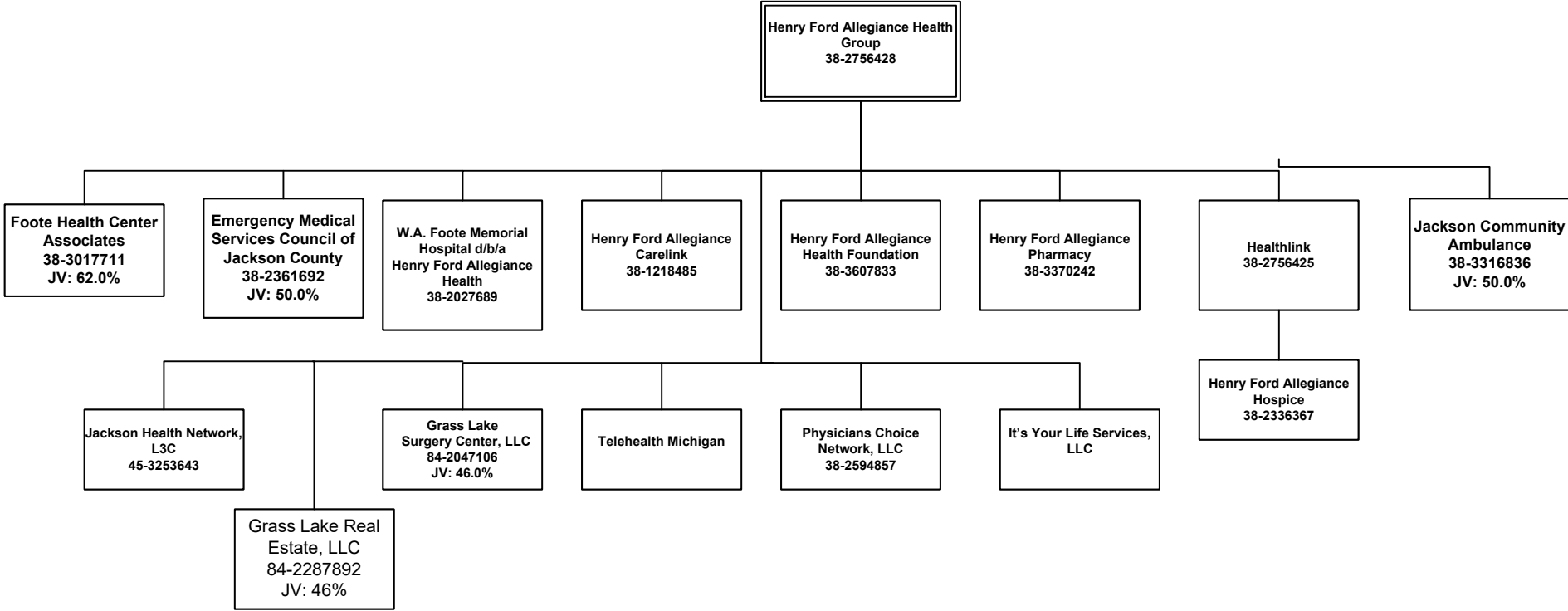
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Legend:

- (1) Represents a business unit under Henry Ford Health System's Tax ID #
- (2) Henry Ford Allegiance Health Group became part of Henry Ford Health System effective April 1, 2016 and includes multiple entities including W.A. Foote Memorial Hospital d/b/a Henry Ford Allegiance Health. A separate organizational chart is attached.

STATEMENT AS OF DECEMBER 31, 2022 OF THE Health Alliance Plan of Michigan
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

